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02/07/2014 11:16:01 AM

Fee: \$67.00

After recording return to:

Melvin D. Ferguson
Attorney at Law
514 Walnut Avenue
Klamath Falls, Oregon 97601

**MEMORANDUM OF ASSIGNMENT
AND ASSUMPTION OF GEOTHERMAL
LEASE AND NOVATION AGREEMENT**

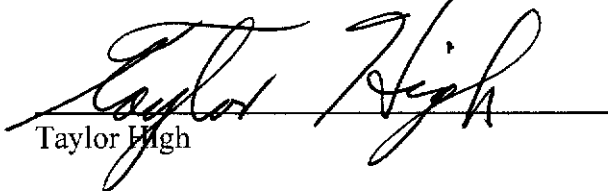
THIS MEMORANDUM OF ASSIGNMENT AND ASSUMPTION OF GEOTHERMAL LEASE AND NOVATION AGREEMENT is executed this 3rd day of February, 2014 by Taylor High, a resident of Klamath County, Oregon; Klamath Basin Geopower, Inc. a Nevada corporation; and Olene KBG, LLC, a Nevada limited liability company.

1. Lease. A Geothermal Lease and Agreement was executed by and between Taylor High as Lessor and Klamath Basin Geopower, Inc. as Lessee on January 27, 2013 (the "Lease"). A Memorandum of Geothermal Lease and Agreement was recorded February 25, 2013 at Volume 2013, page 002064, Klamath County Deed Records.

2. Amendment. An amendment to said Lease was executed by Taylor High and Klamath Basin Geopower on February 3, 2014, but effective January 27, 2013 clarifying the legal description of real property being leased. A memorandum of the amendment to said Lease was recorded on February 7th, 2014 as Document No. 2014-001101, Klamath County Deed Records. A legal description of the real property being leased is attached as Exhibit A and by reference incorporated herein.

3. Novation. Pursuant to an Assignment and Assumption of Geothermal Lease and Novation Agreement dated February 6, 2014, Klamath Basin Geopower, Inc. assigned its Lessee interest in the Lease to Olene KBG, LLC. Taylor High agreed to release Klamath Basin Geopower, Inc. from claims, liability and obligations associated with the Lease and agreed to look to Olene KBG, LLC as the responsible Lessee of said Lease.

4. Purpose of Memorandum. The purpose of this Memorandum is to give record notice of Klamath Basin Geopower, Inc.'s assignment of its Lessee interest in the Lease to Olene KBG, LLC; to give notice of Taylor High's release of Klamath Basin Geopower, Inc.'s Lessee obligations and any liability under the Lease; and to give notice of Olene KBG LLC's status as the substituted Lessee under the Lease.


Taylor High

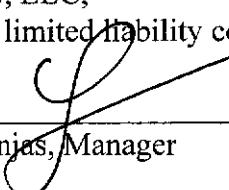
2-3-14
Date

Klamath Basin Geopower, Inc.,
a Nevada Corporation

By: 
Bill Honjas, President

2/6/14
Date

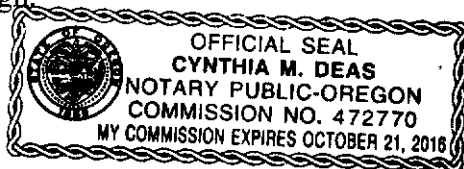
Olene KBG, LLC,
a Nevada limited liability company

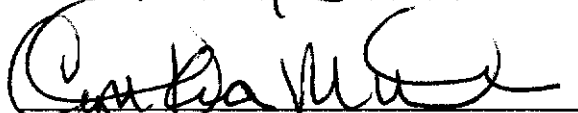
By: 
Bill Honjas, Manager

2/6/14
Date

STATE OF OREGON, County of Klamath) ss.

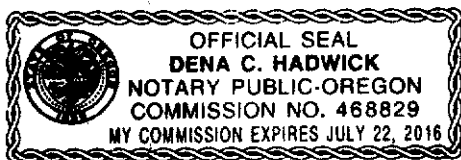
This instrument was acknowledged before me on February 3, 2014, by Taylor High





Notary Public - State of Oregon
My commission expires: 10-21-16

~~STATE OF NEVADA~~ ^{Oregon}, County of Klamath) ss.

This instrument was acknowledged before me on February 6, 2014, by Bill Honjas as President of Klamath Basin Geopower, Inc.




Notary Public - State of Nevada ^{Oregon}
My commission expires: 7-22-16

MEMORANDUM OF ASSIGNMENT AND ASSUMPTION
OF GEOTHERMAL LEASE AND NOVATION AGREEMENT

1-24-14

Page 2 of 3

STATE OF ^{Oregon} ~~NEVADA~~, County of Klamath) ss.

This instrument was acknowledged before me on February 6, 2014, by Bill Honjas as Manager of Olene KBG, LLC.



Dena C. Hadwick
Notary Public - State of ~~Nevada~~ ^{Oregon}
My commission expires: 7.22.16

LEGAL DESCRIPTION
Lease Area

A parcel of land, situated in the S1/2 of Section 14, Township 39 South, Range 10 East, Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Parcel 2 of Land Partition 56-93, EXCEPTING THEREFROM the following described property:

Commencing at a 2" iron pipe marking the southeast corner of Section 14, Township 39 South, Range 10 East, Willamette Meridian; thence along the south line of said Section 14, North 89°02'24" West, 240.31 feet to the Southeast corner of Parcel 2 of Land Partition 56-93 and the **Point of Beginning** of this description; thence along the south line of said Parcel 2 North 89°02'24" West, 1670.00 feet; thence leaving said south line of Parcel 2 North 11°41'43" East, 1336.80 feet to the centerline of South Poe Valley Road; thence along the centerline of South Poe Valley Road North 89°00'19" East, 222.11 feet to a point of curvature; thence 438.31 feet along the arc of a curve to the left having a radius of 900.00 feet through a central angle of 27°54'13" (The long chord of which bears North 75°03'13" East, 433.99 feet) to a point of tangency, thence North 61°06'06" East, 366.86 feet to an angle point; thence North 59°43'32" East, 508.84 feet to the northeast corner of said Parcel 2, thence leaving the centerline of South Poe Valley Road and along the east line of said Parcel 2 South 00°05'52" West, 1886.64 feet to the said southeast corner of Parcel 2 and the **Point of Beginning**.

Said parcel of land containing 77 acres, more or less.

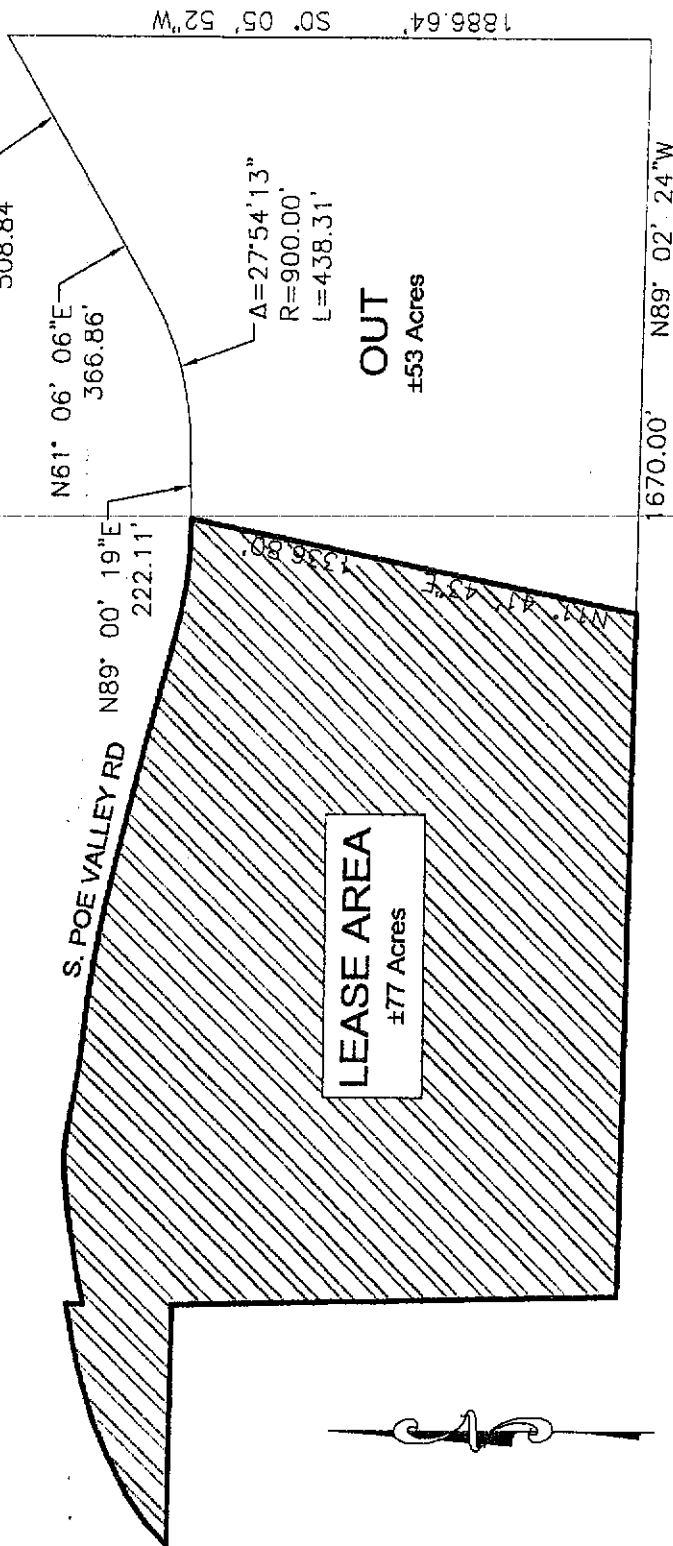


Marcus D. Cross



EXPIRES: 12/31/15

LEASE AREA EXHIBIT



PARCEL 2 L.P. 56-93

±130 Acres

R-C
RHINE-CROSS
GROUP

RHINE-CROSS GROUP LLC
ENGINEERING - SURVEYING - PLANNING
112 N 5th ST - SUITE 200 - P.O. BOX 909
KLAMATH FALLS, OREGON 97601

Phone: (541) 851-9405

Fax: (541) 273-9200

admin@rc-grp.com

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Marcus D. Cross

OREGON
JULY 6, 2010
MARCUS D. CROSS
55506PLS

EXPIRES: 12-31-2015